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C O N F I D E N T I A L SECTION 01 OF 06 TASHKENT 000669

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DEPARTMENT FOR SCA/CEN, OSD
AMEMBASSY ASTANA PASS TO USOFFICE ALMATY
AMEMBASSY HELSINKI PASS TO AMCONSUL ST PETERSBURG
AMEMBASSY MOSCOW PASS TO AMCONSUL VLADIVOSTOK
AMEMBASSY MOSCOW PASS TO AMCONSUL YEKATERINBURG

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TAGS: PREL, ASEC, MOPS, PGOV, PINS, PINR, PTER, EINV, ECON, ETRD, AF
UZ
SUBJECT: Uzbekistan: TRANSCOM Delegation Discusses Transit with GOU
Officials

CLASSIFIED BY: Steven Prohaska, Second Secretary, State, Pol-Econ;
REASON: 1.4(B), (D)

1. (C) Summary: On April 29, a delegation led by Transportation Command Commander General Duncan McNabb met with First Deputy Prime Minister Azimov and with railway officials in Termez to discuss issues related to the transit of goods across Uzbekistan's borders to Afghanistan. Azimov conveyed three major concerns: first, Uzbekistan wants to see increased overland transit of goods out of Navoi toward Afghanistan, and believes upgrades to Hayraton's capacity as well as extension of the rail to Mazar-i-Sharif-with Uzbekistan's willing assistance-can serve this goal. Second, increased purchase of local goods is a key GOU priority. Third, Uzbekistan wants to develop a Free Industrial Economic Zone in the vicinity of Navoi to produce additional commodities that can be used to support operations in Afghanistan. Measured and thoughtful for most of the meeting and carefully deferential to President Karimov, Azimov grew forceful when stressing the need for local job creation associated with the Northern Distribution Network. The delegation then met in Navoi with Korean Air and Hanjin Co. Ltd. representatives who outlined Navoi Airport's value to the U.S. Government as well as the airport's current and projected capabilities. At Termez, GOU officials lamented the significant delays in processing rail cars in Hayraton, Afghanistan and recommended extension of the rail line to Mazar-i-Sharif as well as greater mechanization at Hayraton. Uzbekistan can help in this regard and has also discussed such plans with the Government of Afghanistan-the only major hurdle to its realization is lack of funding. On April 30, Foreign Minister Norov echoed Azimov's sentiments on the importance of Northern Distribution Network (NDN)-related economic benefits to Uzbekistan and called for renewed political dialogue with the U.S., despite signs of what he called "inertia" carrying over into the new Administration. These meetings illustrate the significant additional responsibilities that Uzbekistan can potentially take on-in providing materials, experienced workers, and appropriate equipment-to facilitate our operations in Afghanistan and underscore the importance of establishing a structured political dialogue with Uzbekistan as soon as possible. End summary.

Meeting with First Deputy Prime Minister Azimov

2. (C) On April 29, a delegation led by Transportation Command Commander General McNabb met with Uzbekistan's First Deputy Prime Minister Rustam Azimov to discuss issues related to the transit of goods across Uzbekistan's borders to Afghanistan. Azimov stated his pleasure at this second meeting with General McNabb and his

delegation and his satisfaction that "civilian" cargo has started to move across Uzbekistan's territory in support of Coalition operations in Afghanistan. A theme he touched upon repeatedly during the meeting was that this cooperation should remain relatively silent, and that it has raised the profile of Uzbekistan as a target for possible attacks. "We are not hiding it, but neither is there any need to advertise it," he said.

3. (C) General McNabb indicated that the primary purpose of his visit to Uzbekistan was to express appreciation for Uzbekistan's support and the speed with which the arrangements have been implemented since their November meeting. He praised the success of the shipment of the first 200 containers to Afghanistan and noted that the U.S. has 1500 additional containers ready to move through Uzbekistan with the GOU's blessing. General McNabb thanked the GOU for the hospitality it showed to the Defense Logistics Agency team that recently visited Uzbekistan to investigate local purchase. The U.S. already has purchased significant quantities of bottled water from Uzbekistan, and there are further opportunities for the purchase of food and construction materials. General Petraeus had been complimentary of his visit and had signed a

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letter instructing CENTCOM elements to maximize local purchase. McNabb said he looked forward to the visit of GOU officials to United States facilities including Scott Air Force Base to see TRANSCOM, the Defense Logistics Agency Logistics Center, and the airfield and port in Charleston, South Carolina.

4. (C) Azimov thanked General McNabb for the kind words and, citing President Karimov's decisive leadership, said that Karimov had carefully weighed the benefits and risks associated with providing large-scale support to the United States on transit before throwing his support behind the United States in this endeavor. Switching from Russian to English and strongly emphasizing his next point, Azimov said he appreciates that the President of the United States and Secretary of Defense recognize the price of Uzbekistan's support. He expressed hope that the volume of cargo will increase and benefit the United States as well as bring profit to Uzbekistan. Leaning forward, Azimov noted that in the short-term it is necessary to increase the capacity of Hayraton station in Afghanistan. Switching again to English for a moment, he said that Hayraton is overloaded and shipments have been postponed. Unless steps are taken to increase Hayraton's capacity, "there will be

chaos because we're dealing with Afghanistan." Uzbekistan is willing to help, however. Over the mid-term, the railway must be extended some 78 kilometers from Hayraton to Mazar-i-Sharif, and Mazar-i-Sharif should become the base for loading and unloading cargo. Uzbekistan Railways can build this in six months, but Uzbekistan needs funding for this. Azimov recommended that the United States either push the Asian Development Bank (which is working on this issue now) to allocate money for this quickly or find alternative funding for the project. In the long-term, the railway should be extended to Kabul, Herat, Kandahar, and exit at the borders with Iran and Pakistan, Azimov continued. "Afghanistan is the only country in the world without railways--that's why it's not developed," he opined.

5. (C) Azimov, growing more forceful, stressed that the U.S. needs to create jobs in Uzbekistan to gain the support of the local populace. "Local purchases must increase here so the local people don't feel like they're merely being used." He asked that the United States establish a working group on local acquisitions in Uzbekistan. Uzbekistan will not dictate what the U.S. should buy, and the GOU will respect U.S. procedures and take steps to ensure that there is no such interference. "If purchases don't increase, we'll be concerned," he said, citing a "target figure" of 100 million USD. From time to time during the discussion he would pointedly correct the interpreter and switch from Russian to English when he felt that certain nuances in his remarks had not been accurately conveyed.

Uzbekistan's Goals for Navoi

6. (C) Uzbekistan is building up Navoi and the Free Industrial Economic Zone with strategic issues in mind, Azimov continued. Uzbekistan wants to create a transcontinental commercial cargo hub. Russia had asked Uzbekistan to use Navoi as an airfield for their strategic bombers, but President Karimov had said "no." Azimov warned that Russia is trying to compete with the U.S. and has "great ambitions." Uzbekistan does not want to participate in such games, however. "That's between you and Russia," he laughed. Uzbekistan is making progress with Korean Airlines and in May will launch daily cargo flights from Navoi to Bangkok, Moscow, and Seoul. Work on additional flights to Bombay and Almaty is also in progress.

7. (C) Azimov also made a pitch for the Free Industrial Economic Zone in the vicinity of Navoi, stating that this would give the U.S. the opportunity to create a "logistical base" to support troops in Afghanistan and provide goods that it cannot find in Uzbekistan. The zone would be tax-free for 35 years and would become a significant market for Central Asia and the rest of the Commonwealth of Independent States. In response to General McNabb's question about whether Uzbekistan was considering a regional air role for Navoi, Azimov replied that it was-but not for flights to Afghanistan. He elaborated further on Uzbekistan's vision for Navoi. It should not be considered a hub for either the U.S. or Russia, as Uzbekistan might lose some of its partners if it is perceived as a U.S. logistical base. Instead, Navoi should be both a transcontinental hub for shipments between Europe and South Korea as well as joining Moscow and Dubai as a third gateway to and from the Commonwealth of Independent States. This will take time-perhaps 15-20 years.

NDN to Focus on Commercial Transit

8. (C) General McNabb outlined objectives for the resupply of U.S. forces in Afghanistan, stating that as much commercial transit as possible should pass through the Northern Distribution Network, while military goods will be transported through Pakistan and high-value and sensitive equipment will be delivered by air. The U.S. is waiting for the GOU's blessing on the transit of 1,500 containers of cargo across Uzbekistan's territory, and has an additional 12,000 containers in the pipeline. Azimov repeated his three main concerns-on improving transit capabilities, increasing local acquisitions in Uzbekistan, and producing commodities in Uzbekistan that can be used in Afghanistan-and expressed hope that both sides could discuss progress in these three areas during a follow-on meeting this November.

Visit to Navoi Airport

9. (C) The delegation, accompanied by Ambassador, then travelled to Navoi, where representatives from Korean Air, Hanjin Co. Ltd. Global Logistics Service, and Central Asia Logistics briefed General McNabb on the benefits that Navoi Airport can bring to the U.S. Government as well as Navoi's current and projected capabilities. They indicated that Navoi is valuable for its accessibility, only 300 miles from the border with Afghanistan; efficient performance thanks to support from Korean Air and Hanjin; reduced risk because of its location near the theater of operations but outside the conflict area; its ability to serve as a multi-modal logistics hub; significant handling capacity; and support from the Government of Uzbekistan including a presidential decree on developing the airport and a Free Industrial Economic Zone.

10. (C) Navoi Airport operates 24 hours a day and by September 2009, its Cargo Terminal Apron (420m by 180m) will be able to hold five Boeing-747 freight aircraft. The airport's current temporary warehouse, which is 900 square meters (sqm) and has a capacity of 30 tons per day, will be replaced in October with a Cargo Terminal

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that is 11,500 sqm, can handle 300 tons per day, and will have direct rail and truck connections.

11. (C) The Navoi Free Industrial Economic Zone will serve as an industrial hub, they continued. It will occupy five million square meters and will be involved with machinery, electronics, chemical and pharmaceutical products, and food processing.

12. (C) The Navoi air network currently supports six Inchon-Navoi-Milan flights per week via B747-400 freighters. The company representatives indicated that this will be expanded by six additional Inchon-Navoi-Brussels flights per week by B747-400 freighters and 11 Navoi-Delhi, Navoi-Bangkok, Navoi-Mumbai, and Navoi-Moscow flights per week via A300-600 freighters. They stated that if the Government of Uzbekistan lifts its current ban on flights to Afghanistan, an A300-600 freighter will be ready to handle this.

13. (C) Navoi Airport's fuel tank capacity will be rising in the near future as well. The airport has a storage capacity of 370,000 gallons now, which can refuel seven B747-400 aircraft. By October 2009, the representatives anticipated a storage capacity of 1,420,000 gallons that can refuel 27 B747-400 aircraft. To promote security and safety, airport guards are deployed at 14 observation towers and two gates, several fire trucks and fire brigades as well as 11 medical assistants are on-site, and three hospitals are located within 20 minutes of the airport.

Rail Officials Discuss Transit to Afghanistan

14. (C) That evening, the delegation visited the border crossing point at Termez on Uzbekistan's border with Afghanistan to discuss transit across the border with Deputy Railway Company Chairman Shuhrat Sadikov and others including representatives of Customs, the Ministry of Defense, and the International Automobile Transfer Company. Uzbek officials acknowledged that there is a backlog of cargo. Currently, a maximum of only 150-200 rail cars can be offloaded per day in Hayraton, Afghanistan. Roughly 4,000 cars-including 2,000 loaded with fuel-are waiting to be processed across Uzbekistan. In Afghanistan, an additional 700-800 cars are waiting to be unloaded. The Uzbeks urged that the capabilities at Hayraton be improved by having additional mechanized equipment take the place of manual labor. Moreover, they lamented that while Uzbeks work around the clock on processing these cars, Afghanistan celebrates too many Islamic holidays and this contributes to the backlog. Echoing Azimov, the officials advised extending the rail line to Mazar-i-Sharif, but said laying this much track would take approximately 12 months. Insufficient funding is the primary obstacle to this, however.

15. (C) Uzbek Customs officials also requested again that the United States provide large-scale Rapiscan scanning equipment to better process the large volume of cargo that will cross the border in the future. (Note: In November, State Customs Committee Deputy Chairman Mansurov wrote to Post asking for the provision of 12 RAPISCAN 524 control systems, three RAPISCAN EAGLE M4500 mobile control systems for shipments and vehicles, and one RAPISCAN EAGLE F6000 Base control system for shipments and vehicles to avoid

delays in processing cars. The total cost of this equipment would

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probably be several million dollars. End note.) GOU officials stated that Termez is able to handle 40-50 trucks per day now. Customs Chief Inspector Rustam Kabulov later told Poloff that with the requested scanning equipment, Termez could process about 250 trucks per day. Local officials concluded the day with an extraordinary display of traditional Uzbek hospitality by hosting a dinner with musical and dance performances in the General's honor.

Foreign Minister Norov on Relations with the West

16. (C) On April 30, General McNabb met jointly with Minister of Foreign Affairs Norov and Minister of Defense Berdiyev. Norov noted the intensification in U.S.-Uzbek dialogue and their shared view on Afghanistan and stressed the importance of the commercial dimension of NDN-particularly the development of Navoi-to Uzbekistan. He said the GOU has been following the development and implementation of the Afghanistan-Pakistan strategy very closely.

17. (C) Norov indicated that there is room for bilateral cooperation to grow further. The U.S. and Uzbekistan have long-term common interests if both sides wish to cooperate, but such cooperation should be constructive. Noting that McNabb is the second senior U.S. military official to visit Tashkent since the new administration took office, he remarked that Washington still has not provided clear political signals. He feared "inertia from the previous administration continuing in the assessment of Uzbekistan." Norov said he was optimistic that relations can improve, but there is "still no confirmation that this optimism can be realized and implemented."

18. (C) Uzbekistan is also continuing to watch relations with its Central Asian neighbors, especially Kazakhstan, Norov continued. Uzbekistan accepted Kazakhstan as the Chairman-in-Office of the Organization for Security and Cooperation (OSCE) in Europe because Kazakhstan is Uzbekistan's neighbor, not because Kazakhstan is

democratic. "How can Kazakhstan serve as an example of democracy and human rights in the OSCE?" he asked.

19. (C) Norov said it is important for the U.S. and Uzbekistan to have open and honest relations based on mutual interests and that there should be a fair assessment of the situation here.

"Uzbekistan cannot be put on a hook," i.e. pressured, he said.

"This is counterproductive." Norov also recommended that the U.S. and Uzbekistan enter into a structured political dialogue and harked back to the 2002 Strategic Partnership and Cooperation Framework. (Comment: Norov often cites this in discussions with U.S. officials. It is interesting that over the course of this meeting, Norov did all the talking from the GOU side. When he offered the silent Berdiyev the chance to weigh in at the end, Berdiyev declined. End comment.)

Uzbekistan's Relations with CSTO, SCO

20. (C) Russia has been trying to establish a Rapid Reaction Force under the Collective Security Treaty Organization (CSTO) that

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President Medvedev told CSTO heads of state on February 4 would be "as well armed as NATO," Norov continued. He asserted that Uzbekistan will not join this. Russia is trying to develop the CSTO into a political-military bloc as well as enhance the military-technical dimension of the Shanghai Cooperation Organization (SCO). Uzbekistan has opposed both of these plans, he emphasized. He added that Uzbekistan is the only SCO member actively resisting Russian efforts to create a military dimension within the SCO and complained that Uzbekistan should not be seen as part of a "privileged area" for the Russians. Uzbekistan is not "drifting toward the West" by pursuing these policies-it is simply acting on behalf of its national interests. Alluding to Russia, Norov said, "some expect the U.S. to fail in Afghanistan, although they are aware of the threats as well."

More on Local Purchases, Economic Benefits to Uzbekistan

21. (C) Echoing the sentiments of First Deputy Prime Minister Azimov the previous day, Norov stressed the importance of local purchases and economic benefits to Uzbekistan from NDN. General McNabb replied that the U.S. understands very well and is working on maximizing local purchase wherever possible. He noted that he would bring up the construction of the Hayraton-Mazar-i-Sharif rail line during his upcoming visit to Afghanistan as well. Norov reiterated that Uzbekistan is ready and able to build this rail line-only financing is needed. McNabb said that transportation links with Afghanistan are important not only for supplying current operations there, but for the future development and stability of the entire Central Asian region, and Uzbekistan is at the center of this.

Comment:

22. (C) The consistent theme from the Uzbeks on NDN is "don't take us for granted, and show us some appreciation." In fact, NDN can not only benefit Uzbekistan, but its focus on key rail infrastructure into Afghanistan can serve as a stimulus for projects, such as extending the line from Hayraton to Mazar-i-Sharif, that hold transformational potential in terms of regional economic integration. As the U.S. military works to develop and consolidate these ties, the U.S.-Uzbek political relationship needs to ramp up fast if the difficult human rights and democratic reform issues that remain are not to knock things off track.
NORLAND